



FOR YOUR INFORMATION

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TO: Tim Nelson
SUBJECT: Cambridge Analysis

The reports listed below were created In Quanvert, downloaded into Excel and typed as a table for the Cambridge analysis. Most of these reports were accessed within the 7 Day Volume database from the PM Tracking study. A minority of these reports were accessed from the Continuous Tracking database, as noted. Please use the numbers to the left of the reports listed to reference specific Consumer sections from the Cambridge analysis on page 2.

Quanvert Reports Using 7 Day Volume Inflows and Outflows

- 1- Industry level 7 day volume and share by brand.
- 2- Volume associated with Cambridge smokers buying Cambridge
- 3- Volume associated with Cambridge smokers buying a non-Cambridge packing
- 4- Volume associated with Doral smokers buying Doral
- 5- Volume associated with Doral smokers buying a non-Doral packing

Using the Industry 7 Day volume as the denominator for the time period of interest, the following 7 Day share calculations were derived for Cambridge and Doral:

- Total volume and share
- Regular Smoker volume and share
- Non-Regular volume and share
- Regular smoker volume contribution to total brand volume

Quanvert Reports - Share by Smoker Segment

The following reports were run separately for each time period and arranged in Excel as a time series and subsequently as change vs prior period and yag.

- 6- Cambridge share of demographic smoker shares - 7 day volume basis
- 7- Doral share of demographic smoker shares - 7 day volume basis
- 8- Cambridge share of demographic smoker shares - Continuous Tracking smoker basis
- 9- Doral share of demographic smoker shares - Continuous Tracking smoker basis
- 10- Cambridge demographic smoker share composition - Continuous Tracking smoker basis
- 11- Doral demographic smoker share composition - Continuous Tracking smoker basis

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CONSUMER TRACKING:

- Versus YAG, Cambridge 7 Day volume share losses (-0.5 points) have come largely from its base of regular smokers while alternate inflows from other brands and alternate outflows to competitive brands have remained at comparable levels.
- Versus 3 months ago, Cambridge's 7 day volume share increased +0.3 points, probably reflecting the impact of increased promotional support during the fourth quarter.

**CAMBRIDGE - 7 DAY VOLUME INFLOWS AND OUTFLOWS
3MM DECEMBER**

SHARE OF 7 DAY VOLUME	3MM <u>DEC-92</u>	CHG VS <u>3MAG</u>	CHG VS <u>YAG</u>
7 DAY TOTAL	<u>2.5</u>	<u>+0.3</u>	<u>-0.5</u>
REG. SMOKER VOL. (ANY)	2.4	+0.5	-0.6
NON-REG SMOKER VOL. (IN)	0.4	0.0	0.0
REG. SMOKER VOL. (OUT)	-0.3	-0.2	+0.1

(Reports 1, 2 & 3)

- In contrast, Doral has grown its 7 day volume share by both converting occasional buyers into regular purchasers and stemming alternate purchases among its regular smokers to Deep Discount or competitive Branded Discount products.
(Reports 1, 4 & 5)
- Cambridge, Doral and Store Brands all continue to receive roughly 90% of their volumes from their regular smokers and 10% from competitive smoker inflow. These contributions have remained consistent between these brands throughout 1992.
(Reports 1 & 2)

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**CAMBRIDGE 7 DAY VOLUME SHARE BY SMOKER SEGMENT
3MM JANUARY**

	<u>3MM IAN-93</u>	<u>3MM CHG VS 3MAG</u>	<u>3MM CHG VS YAG</u>
TOTAL	2.4	-0.5	-0.5
SEX:			
MALE	1.9	-0.3	-0.2
FEMALE	2.9	-0.7	-0.9
RACE:			
WHITE	2.6	-0.5	-0.5
BLACK	0.8	+0.4	+0.5
SPANISH SPEAKING	3.9	+0.6	+3.3
AGE:			
18-34	2.1	+0.2	-0.1
35+	2.6	-0.8	-0.7
MEDIAN AGE	39.8	+0.2	+1.2
INCOME:			
UNDER \$30K	2.6	-0.9	-0.9
\$30K +	2.0	-0.2	-0.6
EDUCATION:			
NO COLLEGE	2.5	-0.4	-0.7
ANY COLLEGE	2.2	-0.7	-0.2
NIELSEN A	1.1	-0.7	-0.7
NIELSEN B	2.8	0.5	0.3
NIELSEN C	3.7	-0.1	-0.3
NIELSEN D	2.5	-2.0	-2.0

(Report 6)

- Versus YAG, Cambridge 7 day volume share declines have typically come from its more developed smoker segments, with losses skewing to smokers who are:
 - Less affluent/educated
 - Female
 - White
 - Older
 - Residing in rural areas (Nielsen D)

(Reports 1, 8 & 10)

- Over time, continued balancing of Cambridge smoker share development could reduce the efficiency of segmented media and retail Marketing initiatives.
- Year-to-year Cambridge 7 day volume share comparisons demonstrate greater overall stability yet continued erosion among less affluent and Nielsen D county smokers.

(Reports 1, 8 & 10)

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